

Senate File 2322 - Introduced

SENATE FILE 2322
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO SF 2091)

A BILL FOR

- 1 An Act concerning high alcoholic content beer.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.3, subsection 5, Code 2009, is
2 amended to read as follows:

3 5. "*Alcoholic liquor*" or "*intoxicating liquor*" means the
4 varieties of liquor defined in subsections 3 and 33 which
5 contain more than five percent of alcohol by weight, beverages
6 made as described in subsection 7 which beverages contain
7 more than five percent of alcohol by weight but which are not
8 wine as defined in subsection 37 or high alcoholic content
9 beer as defined in subsection 14A, and every other liquid or
10 solid, patented or not, containing spirits and every beverage
11 obtained by the process described in subsection 37 containing
12 more than seventeen percent alcohol by weight or twenty-one
13 and twenty-five hundredths percent of alcohol by volume, and
14 susceptible of being consumed by a human being, for beverage
15 purposes. Alcohol manufactured in this state for use as fuel
16 pursuant to an experimental distilled spirits plant permit or
17 its equivalent issued by the federal bureau of alcohol, tobacco
18 and firearms is not an "*alcoholic liquor*".

19 Sec. 2. Section 123.3, Code 2009, is amended by adding the
20 following new subsection:

21 NEW SUBSECTION. 14A. "*High alcoholic content beer*" means
22 beer which contains more than five percent of alcohol by
23 weight, but not more than twelve percent of alcohol by weight,
24 that is made by the fermentation of an infusion in potable
25 water of barley, malt, and hops, with or without unmalted
26 grains or decorticated and degerminated grains.

27 Sec. 3. Section 123.124, Code 2009, is amended to read as
28 follows:

29 **123.124 Permits — classes.**

30 Permits for the manufacture and sale, or sale of beer shall
31 be divided into ~~four~~ six classes, known as class "A", special
32 class "A", class "AA", special class "AA", class "B", or
33 class "C" permits. A class "A" permit allows the holder to
34 manufacture and sell beer at wholesale. A holder of a special
35 class "A" permit may only manufacture beer to be consumed on

1 the licensed premises for which the person also holds a class
2 "C" liquor control license or class "B" beer permit and to be
3 sold to a class "A" permittee for resale purposes. A class
4 "AA" permit allows the holder to manufacture and sell high
5 alcoholic content beer at wholesale. A holder of a special
6 class "AA" permit may only manufacture high alcoholic content
7 beer to be consumed on the licensed premises for which the
8 person also holds a class "C" liquor control license or class
9 "B" beer permit and to be sold to a class "AA" permittee for
10 resale purposes. A class "B" permit allows the holder to sell
11 beer to consumers at retail for consumption on or off the
12 premises. A class "C" permit allows the holder to sell beer to
13 consumers at retail for consumption off the premises.

14 Sec. 4. Section 123.130, unnumbered paragraph 1, Code 2009,
15 is amended to read as follows:

16 Any person holding a class "A" permit issued by the division
17 shall be authorized to manufacture and sell, or sell at
18 wholesale, beer for consumption off the premises, such sales
19 within the state to be made only to persons holding subsisting
20 class "A", "B", or "C" permits, or liquor control licenses
21 issued in accordance with the provisions of this chapter. ~~The~~
22 ~~holder of a class "A" permit may manufacture beer of more than~~
23 ~~five percent alcohol by weight for shipment outside this state~~
24 ~~only. However, a~~ A class "A", class "AA", or special class
25 "AA" permit does not grant authority to manufacture wine as
26 defined in section 123.3, subsection 37.

27 Sec. 5. Section 123.134, Code 2009, is amended by adding the
28 following new subsection:

29 NEW SUBSECTION. 1A. The annual permit fee for a class "AA"
30 or special class "AA" permit is five hundred dollars.

31 Sec. 6. Section 123.135, subsection 1, Code 2009, is amended
32 to read as follows:

33 1. A manufacturer, brewer, bottler, importer, or vendor
34 of beer or any agent thereof desiring to ship or sell beer,
35 or have beer brought into this state for resale by a class

1 "A" permittee shall first make application for and be issued
2 a brewer's certificate of compliance by the administrator
3 for that purpose. The certificate of compliance expires at
4 the end of one year from the date of issuance and shall be
5 renewed for a like period upon application to the administrator
6 unless otherwise revoked for cause. Each application for a
7 certificate of compliance or renewal of a certificate shall be
8 accompanied by a fee of ~~one~~ five hundred dollars payable to the
9 division. Each holder of a certificate of compliance shall
10 furnish the information in the form the administrator requires.
11 ~~A brewer whose plant is located in Iowa and who otherwise holds~~
12 ~~a class "A" beer permit to sell beer at wholesale is exempt~~
13 ~~from the fee, but not from the terms and conditions of the~~
14 ~~permit. The holder of a special class "A" permit is exempt~~
15 ~~from the requirements of this section.~~

16 EXPLANATION

17 This bill establishes two new beer permits concerning high
18 alcoholic content beer.

19 The bill defines "high alcoholic content beer" as beer that
20 contains more than 5 percent, but not more than 12 percent, of
21 alcohol by weight that is made by the fermentation of water,
22 barley, malt, and hops. Current law provides that beer with
23 more than 5 percent of alcohol by weight would be considered
24 alcoholic liquor.

25 Code section 123.124, concerning permits for the manufacture
26 and sale of beer, is amended to add a class "AA" and special
27 class "AA" permit which allows for the sale and manufacture
28 of high alcoholic content beer in the same manner as current
29 class "A" and special class "A" permits relative to beer with 5
30 percent or less of alcohol by weight.

31 Code section 123.130 is amended to eliminate the ability of a
32 class "A" beer permit to manufacture and sell beer of more than
33 5 percent of alcohol content for shipment outside the state.

34 Code section 123.134 is amended to provide that the annual
35 permit fee for a class "AA" or special class "AA" permit is

1 \$500.

2 Code section 123.135(1) is amended to increase the fee
3 for a certificate of compliance allowing a manufacturer or
4 vendor of beer to ship or sell beer for resale by a class "A"
5 permittee from \$100 to \$500. The Code section is also amended
6 to eliminate the exemption from this fee by a brewer whose
7 plant is located in Iowa. In addition, the bill provides that
8 a holder of a special class "A" permit is now subject to the
9 requirements of this Code section.